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The Global World of Indian Merchants, 1750–1947

Traders of Sind from Bukhara to Panama

Claude Markovits
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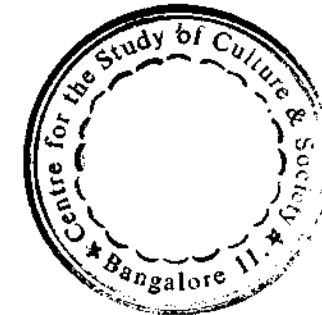

Introduction

Among South Asian merchants and businessmen dispersed across the world, the Sindhis are probably the most ubiquitous, if not the most conspicuous. They are found in the main tourist destinations as well as in the major business centres. In the Canary Islands, which attract tourists from all over Europe, they own hundreds of bazaars in which they sell cheap electronic goods imported from the Far East as well as souvenirs. In Nigeria, they control a fair share of the country's supermarkets and have a stake in the textile and other manufacturing industries. In Hong Kong and Singapore, in spite of the Chinese domination of business, they are actively engaged in the import–export trade. In the United Kingdom, some of the richest Asian business families, whose rise has attracted considerable attention, belong to this group. There are few countries of the world where one does not come across some traders from that community. Their origins as well as the precise nature of their activities remain, however, somewhat mysterious, and they generally adopt a low profile; the expanding literature on the South Asian diaspora generally has little to say about them. And yet their business acumen is legendary, and in India they have a well-established reputation as shrewd operators.

They are Hindu, but hail from a region which is now part of Pakistan. Although they claim an Indian identity, they do not mix much with other Indians, and seem to keep a particular distance *vis-à-vis* the more numerous and conspicuous Gujaratis, who constitute the bulk of the South Asian merchant diaspora. It is often assumed that their dispersal is the result of the Partition of 1947 which forced them to flee their homeland. Perusal of a directory of Indians abroad published in the 1930s[1] however alerted me to the fact that their worldwide spread much antedated the Partition and prompted me to start an inquiry into their story. I quickly discovered that most Sindhi businessmen trace their origins to one particular town in the province, Hyderabad (not to be

[1] S. A. Waiz (comp.), *Indians Abroad Directory*, Bombay, 1934.

confused with its better-known namesake in the Deccan), now a city of more than 1 million situated 150 km north of Karachi, which was the capital of Sind during the era of the Talpur Amirs (1783–1843). Others hail from Shikarpur, a much smaller town in Upper Sind close to the regional centre of Sukkur. Prior to Partition, these two towns were home to flourishing communities of Hindu *banias* who were actively engaged in trade and finance on a worldwide scale. The contrast between the modest size of the towns and the considerable range of their merchants appeared puzzling and worthy of attention. These merchants seem to have been possessed of a tremendous entrepreneurial drive to seek their fortunes so far away from their home towns, often in lands where no Indians had ever set foot before. Although this is a book about traders, it is not preoccupied only with dry facts and figures about sales and profits. It aims at a global understanding of such dispersed merchant communities, of their culture, their religion, as well as of the way in which their family lives were affected by their long-range travels.

The story of these two towns and their merchants has not attracted any attention from scholars. The reasons for this neglect are manyfold, the main one being that these were networks of 'Hindu' merchants in a Muslim-majority province which became part of Pakistan in 1947, leading to a mass exodus of the Hindu population towards India.

Understandably, there has been little interest in Pakistan in the history of Hindu merchants and moneylenders who are generally considered to have been exploiters of the Muslim peasantry of the province. It is worth quoting from a speech by G. M. Sayed, the Sindhi Muslim political leader, delivered to the Sind Legislative Assembly in June 1941:

> During the last 40 years the Hindu has snatched away 40 per cent of land from the Mussalman and this, taken together with the enormous interest and interest over interest that the bania charges, has reduced his life to a condition of utter helplessness. He earns not for himself but for the bania. Due to the control that he wields over commerce, a bania has been able to exploit for his personal gain all the wealth which in equity and justice ought to be the possession of the poor villager. As a consequence of all this, the Mussalman has remained hopelessly poor. Due to his undisputed control over services, the bania has been able to collect an enormous sum of money through bribes and such other means, which he spends and displays by way of erecting bungalows and palaces and purchasing gorgeous and extravagantly decorated dresses. On the other hand, the poor agriculturist who toils days and night has neither a decent home to live in nor a decent cloth to cover himself, much less sufficient food to eat.[2]

Sayed's populist outpouring conveniently left in the dark the role of the Muslim landowners, the *waderos*, in the exploitation of the peasantry

[2] Quoted in S. Z. Lari, *A History of Sindh*, Karachi, 1994, p. 188.

and the existence of a *wadero-bania* nexus in the Sind countryside. However, it echoed feelings which were widespread among the Muslims of Sind. Interestingly, Sayed does not appear to have been aware that sections of the *banias* of Sind derived their wealth not from the exploitation of the peasantry in Sind but from international trading and finance. This was true in particular of the *banias* of Hyderabad and of Shikarpur.

If their story has remained largely unknown in Pakistan, it has not fared better in India. Following Partition, Sindhi Hindus fled *en masse* to Bombay and Rajasthan, from where many then dispersed themselves across the subcontinent. They have been too busy with sheer survival and with trying to integrate within India to devote much time to a search for their historical roots. When they did, it was more in a mood of nostalgia than of historical curiosity.[3] As for the Indian academic community, it treated the history of those regions of undivided India which became part of Pakistan as 'foreign' history and showed little interest in it (with the partial exception of the history of the Punjab).

The aim of this work is not, however, primarily to rescue from oblivion a little-known and in many ways fascinating story. Its major ambition is to bring into focus the existence in the *longue durée* of a widespread circulation of merchants and commercial employees between India and many regions of the world, a phenomenon which spanned the transition between indigenous and colonial regimes. The Shikarpuri and Hyderabadi networks are only two instances, among many others, of Indian merchant networks which managed to overcome the problems created by the advent of colonial rule and to find profitable niches within a European-dominated world capitalist economy

While the study of diasporas is an expanding field in South Asian studies, little attention is being paid to the history of merchant networks. Given the rise of a so-called 'global' capitalist economy in the 1980s and 1990s, the role of widely dispersed immigrant groups in generating flows of investment and trade between different geographical areas has come more into focus. Overseas Chinese communities in particular have given rise to a vast scholarly literature. While it has focused mostly on the global reach of Chinese ethnic capital and on the links between the diaspora and the homeland, this literature has also tended to emphasize the importance of regional identities such as those of the Cantonese, the Hokkien or the Hakka, or even of local identities based on towns (such as Wenzhou in Tchekiang), in structuring communities and fostering solidarities.[4] On the other hand, recent studies of the South Asian

[3] A good example of this literature of nostalgia is K. R. Malkani, *The Sindh Story*, Delhi, 1984.

[4] For an overall view, see in particular L. Pan, *Sons of the Yellow Emperor: the Story of the*

diaspora[5] tend to assume the existence of one diaspora and to pay only scant attention to the role of South Asian communities in the world economy as well as to the existence of subnational identities. In his Introduction to a recent volume, P. Van der Veer, while recognizing that 'the differences are real and important and should be taken seriously', claims however not to 'want to deconstruct the South Asian diaspora to the point of dissolution'.[6]

In this work, I intend to carry this task of deconstruction to the point of dissolution, not out of any postmodernist taste for deconstructing *per se*, but because I think the unitary notion of a South Asian diaspora has been conducive to a distorted view of the historical record. Arguments for the deconstruction of such a unitary notion are many, but there is also one powerful counter-argument which cannot be dismissed off hand, namely that South Asian migrants themselves used nationalism as a resource to empower themselves and fight for their rights as human beings and as citizens. The specific 'diasporic nationalism', which played such a role, for instance, in Gandhi's emergence as a national leader in India, cannot be treated as only a product of the imagination. Nevertheless, the actual contribution of diasporic Indians to the rise of Indian nationalism is not in itself proof of the legitimacy of the unitary notion of a South Asian diaspora.

There are three major arguments against the unitary notion of diaspora. The first one is that at any given moment in history since the beginning of the nineteenth century, the majority of South Asians in the so-called diaspora were not permanent but temporary migrants, who left the subcontinent for only a limited period of time and with the avowed intention of returning there. Most of them did actually return, even if only to leave again. 'Temporary' migration accounted for 90 per cent of departures from India in the 1830–1950 period[7] and, although there are no reliable figures for the post-1950 period, it still probably accounted for the bulk of departures. This throws doubt on the legitimacy of the use of the category of 'diaspora', which involves a long-term physical separation from an imaginary or real homeland and is not

Overseas Chinese, London, 1990, and Wang Gungwu, *China and the Chinese Overseas*, Singapore, 1991.

[5] Among recent contributions, see C. Clarke, C. Peach and S. Vertovec (eds.), *South Asians Overseas: Migration and Ethnicity*, Cambridge, 1990; S. Vertovec (ed.), *Aspects of the South Asian Diaspora*, Delhi, 1991; R. Ballard (ed.), *Desh Pardesh: The South Asian Presence in Britain*, London, 1994; P. Van der Veer (ed.), *Nation and Migration: The Politics of Space in the South Asian Diaspora*, Philadelphia, 1995. See also for a review of the literature, R. K. Jain, *Indian Communities Abroad: Themes and Literature*, Delhi, 1993.

[6] P. Van der Veer, 'Introduction: the Diasporic Imagination', in Van der Veer (ed.), *Nation and Migration*, pp. 7–8.

[7] See K. Davis, *The Population of India and Pakistan*, Princeton, 1951, Table 35, p. 99.

really compatible with phenomena of simple transiency or sojourning. Movements of people between South Asia and the rest of the world belong to the sphere of 'circulation' more than to the sphere of 'migration'. This is a crucial point, which has often been lost sight of.

The cursory treatment of phenomena of circulation in the scholarly literature can be attributed to the combined effect of the nature of the sources and of the ideological biases of scholars. Students of the history of the diaspora have relied almost exclusively on government archives which deal mostly with the processes of migration which were organized or regulated by the colonial state, in particular with indentured emigration to the tropical dependencies of the British Empire. These resulted in widespread settlement of Indian immigrants and the growth over time of significant clusters of populations of South Asian origin. Although settlement itself was largely involuntary, there is a tendency to reconstruct *ex post facto* these movements as aiming at settlement from the outset, a teleological view which is highly misleading. The existence of large Indian communities and the wealth of documentation available easily explain why the study of these processes dominated the field. Ideologues of a 'Greater India' saw in the existence of these overseas Indian communities grist to their mill, while sociologists had a field day trying to evaluate how social institutions such as caste, which were supposed to be uniquely Indian, adapted to a different social environment. They also devoted a lot of attention to the forms taken by Indian religions, particularly Hinduism, in a changed context.

On the other hand, movements which were not organized or at least monitored by the state and which did not give birth to significant clusters of population largely escaped their attention. The neglect of circulation also has to do with the way 'India' or 'South Asia' were constructed in the nineteenth century as a separate civilizational entity, having few links with the rest of the world. This construction, to which Orientalism and nationalism equally contributed, did not leave much place for seepage and similar phenomena. In this dominant framework of thought, South Asia was a world in itself; one was either in it or outside it, while actually millions were constantly shifting between the subcontinent and neighbouring or even faraway regions of the world. It is true that this circulation was largely limited to certain specific regions of the subcontinent, mostly coastal areas of Gujarat, Konkan, Malabar and Coromandel, parts of northwestern India as well as the Bhojpur area of northern India. That is one supplementary reason why more attention should be paid to the regional and even subregional contexts of migration from South Asia.

Deconstructing the unitary notion of one South Asian diaspora

implies a methodological shift. Instead of privileging, as most existing studies do, the point of arrival of the so-called 'permanent' migrants, who actually accounted for only a small share of overall departures from the subcontinent, the research must equally focus on the point of departure, the regions and localities from where migrants left with the intention of returning, an intention which, for most of them, was translated into fact, and on the constant flow of circulation between those points. For migrants often circulated widely, and did not fix themselves in one locality for long periods. Such a shift would also give the role of gender its full place in the migration process. While there is a growing emphasis in the literature on migrant women, a point too often missed is that, even when those who left were mostly males, the women left behind were very much part of the story of migration.

I would strongly argue that region and locality were much more important in structuring migrants' identities than religion, which has been given so much prominence in the existing literature. Most authors appear to view religious categories such as Muslim, Hindu or Sikh as the most significant elements of differentiation within the diaspora. Replacing the notion of one South Asian diaspora by notions of a Hindu, a Muslim or a Sikh diaspora will however not be conducive to a better understanding. W. H. McLeod is rightly critical of the use of the notion of a Sikh diaspora[8] and the same strictures apply to notions of a Hindu and a Muslim diaspora. Migrants from Gujarat, whether they were Hindus, Muslims or Jains, had more in common with each other in their experience of migration than Gujarati Hindus had with Bhojpuri Hindus or Gujarati Muslims with Bhojpuri Muslims. But regional ethnicity *per se* was rarely the basis of identity formation among dispersed South Asians. The analysis of the origins of the migrants must move beyond the regional level to reach the subregional, microregional or even the local level, because it is at these lower levels of the polity that the identities of migrants were actually defined. Most South Asian migrants, unlike British or Irish migrants going to North America, left because they wanted to improve the situation of their family at home, not because they were hoping to make a better life elsewhere. Their aspirations centred around plots of land and real estate in their home region, better houses, better marriage prospects for their sisters. This was true of rich merchants as much as of poor agricultural workers.

[8] He writes: 'We need to be aware that when we talk about Sikh migration we are choosing to use an imprecise adjective.' See W. H. McLeod, 'The First Forty Years of Sikh Migration', in N. G. Barrier and V. A. Dusenbery (eds.), *The Sikh Diaspora: Migration and Experience Beyond the Punjab*, Delhi, 1989, p. 32. For a more recent discussion, see V. A. Dusenbery, 'A Sikh Diaspora? Contested Identities and Constructed Realities', in Van der Veer (ed.), *Nation and Migration*, pp. 17–42.

Solidarities between migrants generally existed within a fairly narrow circle: people of the same village, the same town, the same immigrant ship (in the case of the indentured labourers). Ethnicity and religion were not crucial structuring factors. As to the role of caste or *biradari*, it could vary enormously from one group to another.

A third dimension in the necessary deconstruction of the unitary notion of a diaspora is a greater emphasis on occupation and class. Migrant South Asians belonged to different social classes in the subcontinent and followed different occupations, and these differences generally remained for a long period in the diaspora. Prior to 1950, there were three major streams: unskilled labourers (mostly agricultural workers), skilled and semi-skilled workers in secondary and tertiary occupations, merchants and commercial employees. Middle-class professionals, though they figured, were still a very small group. Most migrants from India were agricultural labourers who went either to neighbouring Ceylon, Burma or Malaya, the so-called *kangani* migration, or to the faraway sugar colonies of the British Empire (as well as to some French and Dutch colonies) on contracts of indenture. There was also a migration of semi-skilled or skilled workers, including secretarial staff, to various countries in the Middle East and in Asia. The world oil economy started relying on Indian labour much before the 1970s influx into the Gulf countries.[9] The widespread circulation of security personnel from India, including soldiers, policemen and watchmen, is also part of this stream. A third major stream was that of merchants and commercial employees, itself a highly differentiated group of men in which business magnates, small shopkeepers and shop assistants were equally represented.

This work seeks primarily to explore the ways in which two groups of South Asian merchants managed to carve for themselves a niche in a European-dominated world economy. In so doing, it is hoped that some light will be thrown on facts of a more general interest, such as the role of Asian merchants in the world economy, or the nature of international merchant networks. A prominent scholar in the field of merchant diasporas[10] pithily summed up the methodological problems attendant to such a study. 'The investigator', he writes, 'is faced with the problem of having to choose between an extensive, unavoidably superficial account of the whole diaspora . . . or the intensive study of one

[9] The Asiatic Petroleum Co, the ancestor of Shell, started recruiting personnel in Malabar in the 1890s, and in the 1920s there were several thousand workers from Kerala in the oilfields of Borneo in the Dutch East Indies.

[10] A. Cohen, 'Cultural Strategies in the Organization of Trading Diasporas', in C. Meillassoux (ed.), *The Development of Indigenous Trade and Markets in West Africa*, London, 1971, p. 269.

community within the networks of communities that constitute the diaspora.' One can only concur with his conclusion that a 'combination of both approaches will be necessary'. In this work, while the dominant approach will be the general one, it will be combined with more in-depth microstudies of specific localized communities. Sight will not be lost either of the fact that these wideranging networks were very much rooted in a local reality in South Asia. It will thus be necessary to constantly keep in mind both the local level, whether in South Asia or outside the subcontinent, as the one at which the identities of merchants were defined and their social relations formed, and the global level, that of the world economy, as the one at which their activities took their full meaning. Local history will thus have to be combined with world history, while the level of 'national' history, which is largely meaningless in this case, will be ignored.

The study of the history of these two international trading networks necessitated the use of many dispersed sources. Although some merchants were interviewed, oral testimonies appeared too unreliable to be a major source. Attempts at finding family papers did not meet with success. In any case, the writing of business history as such was not the aim of this book. On the other hand, a wideranging search through official records yielded surprising results, in spite of the fact that Sind merchants never attracted much official attention. Two major sources, apparently unknown to scholars, have been the records of the British consular courts in Egypt, which supplied a wealth of material on the Hyderabadi traders known as Sindworkies who did business in that country in the late nineteenth and early twentieth centuries, and a trove of documents in the India Office Records concerning the estates of Shikarpuri merchants who died in Russian Central Asia in the same period. Many other sources, both published (such as commercial directories) and unpublished (such as histories of firms) have been used to try to reconstruct the often obscure history of these traders and of their circulation between Sind and the rest of the world. This reconstruction is necessarily partial: a lot has been lost irretrievably. My aim, however, is to produce a meaningful outline, not to fill in all the gaps in the story.

The first part of the book looks at the setting in which the two networks developed. Starting with a general view of South Asian merchants and their international trading networks with the aim of placing developments in Hyderabad and Shikarpur in a general historical perspective, it then moves to consider the regional context of Sind, focusing on aspects of the economic, social and political history of a region which has been little treated in the existing historiography. It looks more particularly at the Hindu *banias* and their role in pre-colonial and colonial Sind, with the aim of uncovering the factors which led some of these *banias* to seek opportunities outside their province.

The second part charts the history of the two networks between the mid-eighteenth and the mid-twentieth centuries. It looks first at the history of the Shikarpuri network, as it developed during the period of the rise of the Durrani Afghan Empire, and consolidated itself in the Central Asian khanates between 1800 and 1870. Particular attention is paid to the role played by Shikarpuri merchants in Russian Central Asia between 1880 and 1917. Other developments concern their role in Chinese Sinkiang and in southeastern Iran and, in the aftermath of the Russian Revolution in which they suffered heavy losses, their redeployment in India proper in the 1920s and 1930s. The 1933 rising in Sinkiang which led to their departure from that region is also considered. In contrast, the rise of the Sindworkie network is shown to have taken place in the context of colonial Sind in the immediate post-annexation period, while its worldwide expansion occurred between 1880 and 1930.

The third part focuses on some general characteristics of the two networks in a structural perspective. After a look at the influence of spatial dispersion on forms of business organization, through a study of partnerships and contracts between employers and salaried employees, a more systematic study of the business of the Sind merchants is presented on the basis of the limited material found in the archives. The focus then shifts to the the question of the political attitudes of the Sind merchants, of their relationship with the British and of their attempts at lobbying to defend their interests. A section is devoted to a study of their intervention in the politics of Panama. Finally, aspects of community and gender in the two networks are considered, in particular the relationship between solidarity and trust and problems of 'sexual economy'. An epilogue briefly presents some data on the worldwide Sindhi diaspora after 1947.